



CURRENCY

Committee on Financial Services

Michael G. Oxley, Chairman

**For Immediate Release:
Wednesday, October 24,
2001**

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House Passes Anti-Terrorism Package to Fight Black Market Financing

By an overwhelming bipartisan margin of 357-66, the House today passed an anti-terrorism package that includes anti-money laundering legislation authored by Chairman Michael G. Oxley (OH), Ranking Member John J. LaFalce (NY), and House Financial Services Committee members.

"We will fight in the financial theater just as aggressively as we are fighting in the military theater," Oxley said. "The Senate is expected to pass the package today, clearing it for President Bush's signature."

"The Patriot Act incorporates the anti-money laundering legislation that I introduced in the last Congress and in this Congress," LaFalce said. "It gives the Treasury increased authority to block transfers of funds into the U.S. financial system from foreign banking systems that are easily exploited by terrorist and criminal organizations because of weak or non-existent anti-money laundering regimes. Bin Laden has bragged that he knows how to exploit the gaps in the western financial system. The Patriot Act is strong legislation that will close those gaps."

The bill makes bulk cash smuggling a crime and requires registration of black market underground financial networks. It modernizes anti-counterfeiting laws to keep pace with the digital age and prohibits U.S. financial institutions from providing financial services to foreign "shell" banks.

A new public-private partnership will be formed to help law enforcement identify, track, and stop terrorists' financial activity. After enactment, suspicious financial activity will be reported in real time to law enforcement agencies. Broker-dealers will also be required to report suspicious activity.

Financial institutions will be required to verify the identity of their new account holders, and, through regulation, customers will be required to provide financial institutions with truthful information when opening accounts.

All financial institutions will be required to institute anti-money laundering compliance programs and increased attention will be paid to so called "correspondent" accounts, which are bank-to-bank accounts crossing international borders.

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